अन्दर भी देश भर के लोगों को जुटा सकते थे, प्रधान मंत्री जी एवं सोनिया जी यहीं पर उसें लांच कर सकते थे, लेकिन उन्होंने ऐसा नहीं किया । उन्होंने कहा कि हम स्वयं ग्राम सभा में जाएंगे, पंचायत में जाएंगे, देश के सभी माननीय मुख्य मंत्रियों एंव अन्य लोगों से हमने प्रार्थना की कि सभी माननीय मंत्रियों को भेजा जाए, माननीय ससंद सदस्यों को भेजा जाए, देश भर में एमएलए, एमपी, ज़िला पार्षद, पीआरआई इंस्टीटयूशन्स के लगभग 30 लाख प्रतिनिधि है, उन्हें भेजा जाए और अन्य सभी लोगों को आमंत्रण दिया जाए । इस प्रकार 2 फरवरी से वह लांच हुआ । जो रिपोर्ट आई है, उसके अनुसार अभी तक 17 राज्यों के 181 जिलों में 2,23,99,382 परिवार में लोगों ने रजिस्ट्रेशन करवाया है । उन्होंने अपना नाम लिखवाया है कि हम काम चाहते हैं । काम का जो कानूनी अधिकार हमें मिला है, उसके लिए उन्होंने पेटीशन दिया है ..(**व्यवधान**)...

श्री उपसभापति: मंत्री जी, थोड़ा इन्हें बोलने दें ।

श्री जसवन्त सिंह(राजस्थान): मेरा निवेहन है , मैं माननीय मंत्री जी के इस रोचक प्रवचन में व्यवधान करूं, यह हमें कभी नहीं सुहाता है, लेकिन हमें कहा गया था कि 5.00 बजे माननीय रक्षा मंत्री जी अपना वक्तव्य देंगे । अगर रघुवंश बाबू को आपत्ति न हो तो पहले माननीय रक्षा मंत्री जी अपना वक्तव्य दे दें ..(**व्यवधान**)...

श्री उपसभापति: स्टेटमेंट करने के बाद ..(**व्यवधान**)...

श्री जसवन्त सिंह: उसके बाद वे अपना प्रवचन फिर से शुरू कर दें । इसमें हमें कोई हर्ज नहीं होगा ।

STATEMENT BY MINISTER

Scorpene Submarine Project

THE MINISTER OF DEFENCE (SHRI PRANAB MUKHERJEE): As the Leader of the Opposition has suggested, I am going to make the following statement.

A section of the Press had published certain reports *inter alia* alleging the involvement of middlemen and payment of commission in the Scorpene Contract stating that a Rs. 16,000 crores contract was signed with France and that an extra amount of Rs. 4,500 crores was paid to the French firms than what was earlier negotiated. Appropriate rejoinders were sent to the magazine on 14th February, 2006. An Unstarrred Question No. 1689 was replied to in the Rajya Sabha on 8.3.2006 on the subject of "Purchase of Submarines".

The allegations have been repeated on 20th March, 2006 by the Leaders of the Opposition in the Lok Sabha and the Rajya Sabha and a former Defence Minister.

The facts of the case are contrary to these allegations.

No contact or contracts were signed with the French firms for Rs. 16,000 crore for the Scorpene project. The total cost of the two contracts signed with the two French firms, M/s ARMARIS and MBDA, for the project is Rs. 7,197 crores.

The Government did not pay an extra amount of Rs. 4,500 crore than what was negotiated earlier. On the contrary, after the present Government came to power, it re-examined the project even though all negoitations had been completed in 2002 and the Ministry of Finance had accorded approval to the project in 2003. The present Government held negotiations and was able to achieve a reduction of Rs. 313 crore in the contracts with the two French firms from the negotiated position in 220. In addition, the signing of Integrity Pacts with the French firms was made mandatory and the first two Integrity Pacts ever to be signed by the Ministry of Defence were signed along with the contracts.

As a result of the negotiations, the Government was also able to achieve several long-term concessions. These included the revision of the escalation formulae to the advantage of the Indian side by adjusting the fixed element in the ARMARIS contract and placing a cap on escalation in the MBDA contract. A cap was also placed on the Exchange Rate Variation (ERV) for calculation of profit for the Public Sector Undertaking, Mazagon Docks Limited (MDL).

Besides the contract with the two French firms, the only other contract that was signed was with the Defence Public Sector Undertaking, Mazagon Docks Limited (MDL), for Rs. 5,888 crores for the indigenous construction of the submarines. Therefore, even taking into account the value of the contract signed with the MDL, the total value of all contracts signed for the Scorpene project is Rs. 13,085 crores out of the sanction accorded for Rs. 5,713 crore, Rs. 3,553 crores is for payments towards taxes and Rs. 2,160 crores towards other items to be acquired during the project period for which only preliminary steps have been taken. No contract or contracts have been signed for the items under this head. A Technical Agreement was also signed between India and France to ensure the

continued support of the French Government to the project. The Integrity Pacts, signed to ensure transparency of the project, contain severe penalties in case of breach of any of its provisions. The safeguards include cancellation of the contract, recovery of all advances with interest at a rate of 2 per cent higher than the European Inter Bank Offered Rate or EURIBOR, non-payment by the buyer of any dues on any other contract to make such recoveries, imposition of Liquidated Damages and the recovery of all sums paid to any middlemen or agent. In addition, the French Government has also informed that it is a signatory to Organisation for Economic Cooperation and Development (OECD), convention on Combating Bribery of Foreign Public Officials in International Business Transactions, and that the French laws have been made more stringent to combat corruption.

The French company that has been accused of committing to pay commission to the alleged middleman has denied all the allegations and has stated that all the e-mails published in the articles in a journal that carried this story are fake and fabricated. The French Embassy in India has also, in a Press communique, termed these articles as slanderous and noted that the French company is filing a complaint against the journal. The French company has since been reported to have filed a case in the Delhi High Court on 24th February, 2006, against the journal which first made the allegations. The Court, when it heard the matter on 27th February, 200, is also reported to have given 30 days to the journal to respond to the submissions made by the company.

Some press reports also sought to establish a link between the Scorpene project and the breach of security that had occurred in the Directorate of Naval Operations in the Naval Headquarters. On the issue of breach of security, during the course of a Court of Inquiry held in May, 2005, by the Air Headquarters, it was established that a pen drive recovered from Lt. (Retd.) Kulbhushan Parashar, a former Indian Navy Officer, contained classified information pertaining to the Directorate of Naval Operations. A Board of Inquiry was convened to hold a full investigation into the matter. The Board established that there had been a leakage of information, primarily of commercial value, to unauthorised persons. However, the leaked information did not pertain to the Scorpene project.

The Board severely indicted three Naval Officers, namely, Captain Kashyap Kumar, Commander Vinod Kumar Jha and Commander Vijyendra Rana. It also showed the involvement of some retired officers and civilians.

The three Naval Officers severely indicated by the Naval Board of Enquiry were dismissed from the Navy on 26th October, 2005, in exercise of the powers conferred under Section 15 of the Navy Act, 1957, read in conjunction with Regulation 216 of the Regulations of the Navy Part II (Statutory). One of the dismissed officers, Captain Kashyap Kumar has filed a writ petition in the Delhi High Court in November-2005, challenging his dismissal from service.

On 18th February, 2006, the Ministry of Defence referred the matter relating to the leakage of information from the Directorate of Naval Operations in the Naval Headquarters to the Central Bureau of Investigation for further investigation and filing of criminal proceedings against the dismissed officers as well as the civilians and retired officers involved in the leak of information.

THE LEADER OF THE OPPOSITION (SHRI JASWANT SINGH): Sir, I am told that there are some diplomatic commitments that the hon. Defence Minister has, in which even, if it is convenient to the Defence Minister, we can have the clarifications tomorrow at a suitable time, say, 2.30 P.M.

SHRI PRANAB MUKHERJEE: Yes, Sir. As per your direction and as per the convenience of the Leader of the Opposition, I have no problem to have it tomorrow at 2.30 p.m.

DISCUSSION ON WORKING OF MINISTRIES OF PANCHAYATI RAJ AND RURAL DEVELOPMENT—Contd.

श्री रघुवंश प्रसाद सिंह: उपसभापति महोदय, हम पहले बड़े उत्साहित थे कि ग्रामीण विकास, गरीबी और बेरोजगारी के प्रति विपक्ष के नेता और बीजेपी के बड़े नेताओं की रूचि है, इसलिए वे सदन में आए है। लेकिन वे दूसरे काम से आए थे। मैं बहुत उत्साहित था कि इन लोगों को रूचि कैसे हो गयी ? हमें तो कुछ ही लोग भले आदमी लगे थे, जिनकी ग्रामीण विकास और गरीब मे रूचि है। जब बड़े नेता आकर बैठ जाए तो मैं उत्साहित था, लेनिक मैं गलतफहमी में था, मेरी वह गलतफहमी दूर हो गयी ..(**व्यवधान**)...उसमें भी कुछ भले आदमी है। ..(**व्यवधान**)... गरीब आदमी और गांव के प्रति रूचि रखने वाले लोग है। बीजेपी के लोगों को गावं, गांधी, गरीब से क्या मतलब ? मतलब इधर है महोदय, गांधी, गांव और गरीब-तीनों को हम लोग हमेशा ख्याल रखते हैं। ..(**व्यवधान**)...

श्री जसन्ती लाल बरोट: माननीय मंत्री जी, बी.जे.पी.को ..(**व्यवधान**)...छोड़कर आप कहां गए, वह तो देखिए ..(**व्यवधान**)...